



News Release

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Leavitt Applauds National Medicaid Modernization Proposal

(Salt Lake City, UT) - Utah's Governor Michael O. Leavitt is applauding national efforts to modernize Medicaid and provide Utah and all states more flexibility to offer programs that meet the needs of their citizens. President George W. Bush and Secretary Tommy Thompson are consulting with several governors, including Governor Leavitt, to create a new Medicaid option for states that would help protect and expand health coverage for children, families, seniors and people with disabilities.

The enhanced health care partnership assists states struggling with budget crises by adding an estimated \$3.25 billion in federal Medicaid spending in FY2004 and \$12.7 billion over seven years. This will help to prevent people from losing coverage while also providing opportunities to extend health care to more Americans in need.

"Utah is not alone in its challenge to balance the Medicaid budget with growing enrollment. This investment is a good step toward helping states," says Leavitt.

The plan also gives states new flexibility to develop programs to cover more people. States would be able to expand coverage to the mentally ill, those with chronic diseases, those with HIV/AIDS or low-income adults without children. States could design long-term care programs for seniors that target benefits to their specific needs. People with disabilities would gain greater freedom to work and live independently without losing health benefits.

"The need for increased federal participation in state Medicaid programs is both crucial and overdue. Utah's recently announced cuts to all areas of the Medicaid program are clear evidence of the crisis in Utah," says Michael Deily, Director of Medicaid, Utah Department of Health. "Utah has worked for years to obtain needed flexibility under

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federal law to tailor programs aimed at those with the greatest need for services. We are encouraged by today's announcement and look forward to details on this initiative.”

The plan gives states the upfront investment and the flexibility to design health care programs that best meet the needs of their citizens. The plan does so while maintaining mandatory coverage for our most vulnerable populations and to invest and maintain their commitment to health care. One effort that is unique to Utah, which received approval from Secretary Thompson in February 2002, is the creation of the Primary Care Network (PCN).

“Secretary Thompson has worked closely with Utah to give us the flexibility to implement Utah’s PCN program. To the extent that this proposal provides states the flexibility to tailor programs to meet their own unique health care system needs, this is a giant step forward,” says Deily. Approximately 8.7 percent of Utah’s population lacks health insurance coverage. PCN is a state health plan for adults who cannot afford private health insurance. PCN began in July of 2002 and more than 10,000 Utahns are enrolled.

This proposal is modeled after the highly successful CHIP, Utah’s Children’s Health Insurance Program, which enjoys broad bipartisan support. It takes the CHIP principle of creating greater state flexibility in order to provide quality coverage to the most people and applies that principle to Medicaid. If CHIP can improve health coverage for children in an efficient and cost-effective way, its model will certainly have the same positive impact on Medicaid and the populations it serves. CHIP is a state health insurance plan for children whose families cannot afford private health insurance. Approximately 6.8 percent of Utah’s children are without health care coverage. Children under the age of 19 who are U.S. citizens or legal residents and who are not currently covered by health insurance may qualify. To be enrolled, families must meet eligibility guidelines based on family size and income. CHIP enrollment is currently closed.

If states do not choose to pursue this new Medicaid option, they can continue their current programs without losing any federal funding commitments.